

# EXHIBIT Y

KUEHNE + NAGLE EMPLOYEE POLICY MANUAL

REVISED 2008

EX-Y



**KUEHNE + NAGEL**

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**KUEHNE + NAGEL INC.**

**Employee Policy Manual**

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## EMPLOYEE POLICY MANUAL

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## **EMPLOYEE POLICY MANUAL**

### **Kuehne + Nagel Inc.**

#### **KUEHNE + NAGEL CODE OF CONDUCT**

##### **Equal Employment Opportunity Policy**

Equal employment opportunity has been, and will continue to be, a fundamental principle at Kuehne + Nagel, where employment is based upon personal capabilities and qualifications without discrimination because of race, color, religion, sex, age, national origin, disability, or any other protected characteristic as established by law. It is the policy of Kuehne + Nagel to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, national origin, religion, sex, age, disability, or any other characteristic protected by law.

This policy of Equal Employment Opportunity applies to all policies and procedures relating to recruitment and hiring, compensation, benefits, termination and all other terms and conditions of employment. The Human Resources Department has overall responsibility for this policy and maintains reporting and monitoring procedures. Employees' questions or concerns should be referred to the Human Resources Department.

Appropriate disciplinary action may be taken against any employee willfully violating this policy.

##### **Non-Discrimination and Anti-Harassment Policy**

Kuehne + Nagel is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, Kuehne + Nagel expects that all relationships among persons in the workplace will be business-like and free of bias, prejudice and harassment.

##### **Definitions of Harassment**

a. Sexual harassment constitutes discrimination and is illegal under federal, state and local laws. For the purposes of this policy, sexual harassment is defined as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when, for example: (i) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; ii) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (iii) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or different gender. Depending on the circumstances, these behaviors may include, but are not limited to: unwanted sexual advances or requests for sexual



favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess or sexual deficiencies; leering, catcalls or touching; insulting or obscene comments or gestures; display or circulation in the workplace of sexually suggestive objects or pictures (including through e-mail); and other physical, verbal or visual conduct of a sexual nature. Sex-based harassment that is, harassment not involving sexual activity or language (e.g., male manager yells only at female employees and not males) may also constitute discrimination if it is severe or pervasive and directed at employees because of their sex.

b. Harassment on the basis of any other protected characteristic is also strictly prohibited. Under this policy, harassment is verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her race, color, religion, national origin, age, disability, or any other characteristic protected by law or that of his/her relatives, friends or associates, and that: (i) has the purpose or effect of creating an intimidating, hostile or offensive work environment; (ii) has the purpose or effect of unreasonably interfering with an individual's work performance; or (iii) otherwise adversely affects an individual's employment opportunities.

Harassing conduct includes, but is not limited to: epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes and display or circulation in the workplace of written or graphic material that denigrates or shows hostility or aversion toward an individual or group (including through e-mail).

### **Individuals and Conduct Covered**

These policies apply to all applicants and employees, and prohibit harassment, discrimination and retaliation whether engaged in by fellow employees, by a supervisor or manager or by someone indirectly connected to Kuehne + Nagel (e.g., an outside vendor, consultant or customer). In certain states, such as California, a specific sexual harassment policy has been issued in compliance with that state's requirements and as a supplement to this general policy.

Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events.

### **Retaliation Is Prohibited**

Kuehne + Nagel prohibits retaliation against any individual who reports discrimination or harassment or participates in an investigation of such reports. Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action, up to and including termination.

### **Complaint Procedure**

#### **Reporting an Incident of Harassment, Discrimination or Retaliation**

Kuehne + Nagel strongly urges the reporting of all incidents of discrimination, harassment or retaliation, regardless of the offender's identity or position. Individuals who believe they have experienced conduct that they believe is contrary to Kuehne + Nagel's policy or who have



concerns about such matters should file their complaints with their immediate supervisor, or any member of the Human Resources Department or the Legal Department before the conduct becomes severe or pervasive. Individuals should not feel obligated to file their complaints with their immediate supervisor first before bringing the matter to the attention of one of the other Kuehne + Nagel designated representatives identified above.

**IMPORTANT NOTICE TO ALL EMPLOYEES:**

Employees who have experienced conduct they believe is contrary to this policy have an obligation to take advantage of this complaint procedure. An employee's failure to fulfill this obligation could affect his or her rights in pursuing legal action. Also, please note, federal, state and local discrimination laws establish specific time frames for initiating a legal proceeding pursuant to those laws.

Early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment. Therefore, while no fixed reporting period has been established, Kuehne + Nagel strongly urges the prompt reporting of complaints or concerns so that rapid and constructive action can be taken. Kuehne + Nagel will make every effort to stop alleged harassment before it becomes severe or pervasive, but can only do so with the cooperation of its staff/employees.

The availability of this complaint procedure does not preclude individuals who believe they are being subjected to harassing conduct from promptly advising the offender that his or her behavior is unwelcome and requesting that it be discontinued.

### **The Investigation**

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly, thoroughly and impartially. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge.

Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

### **Responsive Action**

Misconduct constituting harassment, discrimination or retaliation will be dealt with promptly and appropriately. Responsive action may include, for example, training, referral to counseling, monitoring of the offender and/or disciplinary action such as warning, reprimand, withholding of a promotion or pay increase, reduction of wages, demotion, reassignment, temporary suspension without pay or termination, as Kuehne + Nagel believes appropriate under the circumstances.

Finally, these policies should not, and may not, be used as a basis for excluding or separating individuals of a particular gender, or any other protected characteristic, from participating in





business or work-related social activities or discussions in order to avoid allegations of harassment. The law and the policies of Kuehne + Nagel prohibit disparate treatment on the basis of sex or any other protected characteristic, with regard to terms, conditions, privileges and prerequisites of employment. The prohibitions against harassment, discrimination and retaliation are intended to complement and further these policies, not to form the basis of an exception to them.

### **Americans with Disabilities Act Policy Statement**

Kuehne + Nagel is committed to complying with all applicable provisions of the Americans With Disabilities Act ("ADA"). It is Kuehne + Nagel's policy not to discriminate against any qualified employee or applicant with regard to any terms or conditions of employment because of such individual's disability or perceived disability so long as the employee can perform the essential functions of the job. Consistent with this policy of nondiscrimination, Kuehne + Nagel will provide reasonable accommodations to a qualified individual with a disability, as defined by the ADA, who has made Kuehne + Nagel aware of his or her disability, provided that such accommodation does not constitute an undue hardship on Kuehne + Nagel.

Employees with a disability who believe they need a reasonable accommodation to perform the essential functions of their job should contact the Human Resources Department. Kuehne + Nagel encourages individuals with disabilities to come forward and request reasonable accommodation.

### **Procedure for Requesting an Accommodation**

On receipt of an accommodation request, a member of the Human Resources Department and the employee's supervisor will meet with him/her to discuss and identify the precise limitations resulting from the disability and the potential accommodation that Kuehne + Nagel might make to help overcome those limitations.

Kuehne + Nagel will determine the feasibility of the requested accommodation considering various factors, including, but not limited to the nature and cost of the accommodation, the availability of tax credits and deductions, outside funding, Kuehne + Nagel's overall financial resources and organization, the safety of the requesting employee as well as that of other employees, and the accommodation's impact on the operation of Kuehne + Nagel, including its impact on the ability of other employees to perform their duties and on Kuehne + Nagel's ability to conduct business.

Kuehne + Nagel will inform the employee of its decision on the accommodation request or on how to make the accommodation. If the accommodation request is denied, employees will be advised of their right to appeal the decision by submitting a written statement explaining the reasons for the request. If the request on appeal is denied, that decision is final.

The ADA does not require Kuehne + Nagel to make the best possible accommodation, to reallocate essential job functions, or to provide personal use items (i.e., eyeglasses, hearing aids, wheelchairs etc.).

An employee or job applicant who has questions regarding this policy or believes that he or she has been discriminated against based on a disability should notify the Human Resources



Department. All such inquiries or complaints will be treated as confidential to the extent permissible by law.

## **Ethical Standards of Operations**

### **Overview**

Kuehne + Nagel expects our employees to conduct business according to the highest ethical standards of conduct. Employees are expected to devote their best efforts to the interests of Kuehne + Nagel. Business dealings that appear to create a conflict between the interests of Kuehne + Nagel and an employee are unacceptable. Kuehne + Nagel recognizes the right of employees to engage in activities outside of their employment which are of a private nature and unrelated to our business. However, the employee must disclose any possible conflicts so that Kuehne + Nagel may assess and prevent potential conflicts of interest from arising. A potential or actual conflict of interest occurs whenever an employee is in a position to influence a decision that may result in a personal gain for the employee or an immediate family member (i.e., spouse or significant other, children, parents, siblings) as a result of Kuehne + Nagel's business dealings.

Although it is not possible to specify every action that might create a conflict of interest, this policy sets forth the ones which most frequently present problems. If an employee has any question whether an action or proposed course of conduct would create a conflict of interest, he or she should immediately contact the Legal Department to obtain advice on the issue. The purpose of this policy is to protect employees from any conflict of interest that might arise.

A violation of this policy will result in immediate and appropriate discipline, up to and including immediate termination.

### **Outside Employment**

Employees are required to obtain written approval from their supervisor before participating in outside work activities in cases where there may be a perceived conflict with Kuehne + Nagel activities. Approval will be granted unless the activity conflicts with Kuehne + Nagel's interest. In general, outside work activities are not allowed when they:

- Prevent the employee from fully performing work for which he or she is employed at Kuehne + Nagel, including overtime assignments.
- Involve organizations that are doing or seek to do business with Kuehne + Nagel, including actual or potential vendors or customers; or
- Violate provisions of law or Kuehne + Nagel's policies or rules.

From time to time, Kuehne + Nagel employees may be required to work beyond their normally scheduled hours. Employees must perform this work when requested. In cases of conflict with any outside activity, the employee's obligations to Kuehne + Nagel must be given priority. Employees may not use Kuehne + Nagel time, facilities, resources, or supplies to support outside work activities. Employees are hired and continue in Kuehne + Nagel's employ with the understanding that Kuehne + Nagel is their primary employer and that other employment or



adoption and use. Similarly, using the trademark or service mark of another company, even one with whom Kuehne + Nagel has a business relationship, always requires clearance or approval by the Legal Department to ensure proper use.

Employees must avoid the unauthorized use of copyrighted materials of others and should consult with the Legal Department if they have any questions regarding the permissibility of photocopying, excerpting, electronically copying, or otherwise using copyrighted materials. In addition, simply because material is available for copying, such as matter downloaded from the Internet, does not mean that it is automatically permissible to copy or re-circulate (e.g., e-mail or posting to an intranet facility). All copies of work that is authorized to be made available for ultimate distribution to the public, including all machine readable works such as computer software, must bear the prescribed form of copyright notice.

Kuehne + Nagel is legally entitled to all rights in ideas, inventions, and works of authorship relating to its business that are made by employees during the scope of their employment with Kuehne + Nagel or using the resources of Kuehne + Nagel ("Employee Developments"). During the course of their employment, employees are required to promptly disclose all Employee Developments to their supervisor/manager, and to execute the necessary documentation to transfer all Employee Developments to Kuehne + Nagel to evidence their ownership, or to obtain legal protection for them.

### **Record Retention**

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Business records are an important history of transactions with customers, vendors, creditors, and employees. Accurate records must be maintained in accordance with the corporate records retention schedule. The specific information can be acquired through QSHE work instruction WIUS.ZQ.408 Document Retention. Certain circumstances involving pending or potential litigation may require an extension of time for record retention. Legal counsel should be consulted prior to discarding documents that may be subject to an extended retention period.

### **E-Mail And Internet Use Policy**

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Certain employees, due to the nature of their positions, may be provided with access to the Internet to assist them in performing their jobs. The Internet can be a valuable source of information and research. In addition, e-mail can provide excellent means of communicating with other employees, our customers and clients, outside vendors, and other businesses. Use of the Internet, however, must be tempered with common sense and good judgment.

Kuehne + Nagel is not responsible for material viewed or downloaded by users from the Internet. The Internet is a worldwide network of computers that contains millions of pages of information. Users are cautioned that many of these pages include offensive, sexually explicit, and inappropriate material. In general, it is difficult to avoid at least some contact with this material while using the Internet. Even innocuous search requests may lead to sites with highly offensive content. In addition, having an e-mail address on the Internet may lead to receipt of unsolicited e-mail containing offensive content. Users accessing the Internet do so at their own risk.

Employees must not deliberately perform acts that waste computer resources or unfairly monopolize resources to the exclusion of others. These acts include, but are not limited to,



attached to e-mail; and files provided by customers or vendors may contain dangerous computer viruses that may damage Kuehne + Nagel's computer network. Employees should never download files from the Internet, accept e-mail attachments from outsiders, or use disks from non-Kuehne + Nagel sources, without first scanning the material with Kuehne + Nagel-approved virus checking software. If an employee suspects that a virus has been introduced into Kuehne + Nagel's network, the Help Desk should be notified immediately.

Except as authorized by management, Kuehne + Nagel prohibits the transmission, distribution or delivery of any unsolicited bulk or unsolicited commercial electronic messages.

Violations of this policy will be taken seriously and may result in disciplinary action, including possible termination, and civil and criminal liability.

### **Telephone and Voice Mail Policy**

The telephone system (including the voice mail function) is the property of Kuehne + Nagel. It has been provided by Kuehne + Nagel for use in conducting company business. All communications and information transmitted by, received from, or stored in this system are company records and property of Kuehne + Nagel. The telephone system is to be used for company purposes only. Employees have no right of personal privacy in any matter stored in, created, received, or sent over the Kuehne + Nagel telephone system.

Kuehne + Nagel, in its discretion as owner of the telephone system, reserves and may exercise the right to monitor, access, retrieve, and delete any matter stored in, created, received, or sent over the Voice Mail system, for any reason without the permission of any employee and without notice.

Even if employees use a password to access the telephone system, the confidentiality of any message stored in, created, received, or sent from the Kuehne + Nagel system still cannot be assured. Use of passwords or other security measures does not in any way diminish Kuehne + Nagel's rights to access materials on its system, or create any privacy rights of employees in the messages and files on the system.

In connection with certain customer contact center functions, telephone conversations with subscribers and others who call Customer Service Representatives (CSRs) on the incoming business lines may be monitored and/or recorded from time to time for CSR training, quality control, and other business purposes. This notice provides information to employees about monitoring and recording practices.

It is Kuehne + Nagel policy not to monitor or record any personal or confidential calls, except to the extent of determining the personal or confidential nature of such calls. The following practices are used to promote the privacy of all personal and confidential calls:

- I. The telephones on which CSRs receive calls on the outside line are not to be used for personal calls by CSRs or other company employees, because those phones are subject to monitoring. Other phones are available to be used for any necessary personal calls.
- II. Supervisors who conduct service monitoring should simply leave the line immediately if they monitor a call which for any reason seems to be personal or confidential in nature.



sending mass mailings or chain letters, spending excessive amounts of time on the Internet, playing games, engaging in online chat groups, printing multiple copies of documents, or otherwise creating unnecessary network traffic. Because audio, video and picture files require significant storage space, files of this or any other sort may not be downloaded unless they are business-related.

The computers and computer accounts given to employees are to assist them in performance of their jobs. Employees should not have an expectation of privacy in anything they create, store, send, or receive on the computer system. The computer system belongs to Kuehne + Nagel and may only be used for business purposes.

Kuehne + Nagel has the right, but not the duty, to monitor any and all of the aspects of its computer system, including, but not limited to, monitoring sites visited by employees on the Internet, monitoring chat groups and news groups, reviewing material downloaded or uploaded by users to the Internet, and reviewing e-mail sent and received by users.

Kuehne + Nagel may use software to identify inappropriate or sexually explicit Internet sites. Such sites may be blocked from access by Kuehne + Nagel networks. In the event an employee nonetheless encounters inappropriate or sexually explicit material while browsing on the Internet, immediately disconnect from the site, regardless of whether the site was subject to company blocking software.

Material that is fraudulent, harassing, embarrassing, sexually explicit, profane, obscene, intimidating, defamatory, or otherwise unlawful, inappropriate, offensive (including offensive material concerning sex, race, color, national origin, religion, age, disability, or other characteristic protected by law), or violative of Kuehne + Nagel's equal employment opportunity policy and its policies against sexual or other harassment may not be downloaded from the Internet or displayed or stored in Kuehne + Nagel's computers. Employees encountering or receiving this kind of material should immediately report the incident to their supervisors or the Human Resources Department. Kuehne + Nagel's equal employment opportunity policy and its policies against sexual or other harassment apply fully to the use of the Internet and any violation of those policies is grounds for discipline up to and including termination.

Employees may not use the company's Internet connection to download games or other entertainment software, including wallpaper and screen savers, or to play games over the Internet.

Employees may not illegally copy material protected under copyright law or make that material available to others for copying.

To ensure security and to avoid the spread of viruses, employees accessing the Internet through a computer attached to Kuehne + Nagel's network must do so through an approved Internet firewall.

Files obtained from sources outside Kuehne + Nagel, including disks brought from home; files downloaded from the Internet, newsgroups, bulletin boards, or other online services; files





Employees found to be engaging in personal phone calls on monitored lines will be subject to disciplinary action.

## **EMPLOYMENT**

### **New Hire Requirements**

All offers of employment are contingent upon successful completion of a pre-employment drug and background screening and providing proof of ability to work in the United States. Depending on the physical requirements of the position, a pre-placement fitness for duty evaluation will be given to insure a candidate is physically capable of performing specific job functions. Failure to fulfill any of these requirements will result in the employment offer being rescinded or immediate termination of employment. Any information provided found to be false, incomplete or misrepresented in any respect, will be sufficient cause (I) to discontinue further consideration of application or (II) immediately discharge from the company's service, whenever it is discovered.

### **Employee Orientation**

All newly hired/existing employees are required to participate in employee orientation. The orientation is designed to acquaint the employee with Kuehne + Nagel and its policies. Supervisors/managers will be responsible for ensuring attendance.

During the first week of employment, the employee's supervisor/manager is responsible for communicating and assisting the employee in completing all hire and benefit enrollment procedures. In addition, the supervisor/manager will ensure that the employee receives an introduction within Kuehne + Nagel.

### **Introductory Period**

The first ninety (90) calendar days of employment are considered an introductory period used to evaluate the employee's work and overall performance. This period also allows time for the member to adjust to new responsibilities. If the company determines that the designated introductory period does not allow sufficient time to thoroughly evaluate the employee's performance, the introductory period may be extended for a specified period, not to exceed 30 days.

Satisfactory completion of the introductory period does not alter employment at will. Employment may be terminated at any time, with or without cause or notice, at the option of Kuehne + Nagel or the employee.

### **Employment Classifications**

Based on the conditions of employment, employees of Kuehne + Nagel fall into the following categories:



Regular Full Time  
Regular Part Time  
Temporary Employees

### **Regular Full Time**

A Regular Full-Time Employee is an employee who works a minimum 30-hour workweek on a regularly scheduled basis.

Exempt employees are classified as such if their job duties are exempt from the overtime provisions of the Federal and State Wage and Hour Laws. Exempt employees are not eligible for overtime pay. Their salaries are calculated on a semi-monthly basis.

Non-Exempt employees receive overtime pay in accordance with our overtime policy. Their salaries are calculated on an hourly basis.

### **Regular Part Time**

A Regular Part-time Employee is an employee who works less than 30 hours per week, on either a regularly scheduled basis or on an irregular basis.

### **Temporary Employees**

A Temporary Employee is an employee hired by Kuehne + Nagel for a designated period of time and who is not entitled to regular benefits (except to the extent required by state and federal law provisions). A temporary employee may be full-time or part-time. In addition to the use of this classification for office clerical or warehouse positions, it applies to students working part-time, or as interns for the summer. The job assignment, work schedule and duration of the position will be determined on an individual basis. Normally, a temporary position will not exceed six (6) months in duration, except when specifically extended with the written approval of the Branch Manager up to a total period of one (1) year (with the exception of student interns who may exceed one year). All other temporary employees must be transitioned to regular full-time or part-time status on or before the completion of one (1) year of service.

### **Third Party Resources**

In addition to employees, Kuehne + Nagel retains certain third party resources to fulfill its service commitments. Examples of such individuals include temporary agency workers, independent contractors, or resources assigned by customers. These resources are subject to Kuehne + Nagel's workplace guidelines, but are not entitled to regular benefits (except to the extent required by state and federal law provisions).

### **Student Intern Employment Guidelines**

Kuehne + Nagel will periodically employ student interns for specific periods when they are not in school or have been approved by their school for participation in a co-operative education program. To qualify, matriculating college/university students must be at least 18 years of age. High school students do not qualify. Student interns will be hired as temporary, seasonal employees and work a full or part-time schedule based on business needs. Hiring managers who



plan to add student interns to their department must complete a Request for Student Intern Application found on the Human Resources page of KNet and forward the application to the Human Resources Department for approval at least three weeks prior to a start date. An intern cannot start employment without the steps outlined.

If a student is approved for intern employment, they will be subject to the pre-employment screening process as described under New Hire Requirements. Student interns are not eligible for Kuehne + Nagel benefits, inclusive of paid vacation, sick time or health and welfare benefits. Student interns will be covered by workers' compensation and those benefits required by law. Student interns will receive regular holiday pay based on their assigned hours worked. To avoid potential conflict of interest, family members of student interns who work for Kuehne + Nagel cannot supervise the student intern nor may the student intern work in the same department as the family member. Student interns will receive a performance evaluation at the completion of their assignment with Kuehne + Nagel as required by the student's college or university.

### **Service Date**

An employee's service date is defined as the first day he/she reports to work at Kuehne + Nagel. This date is used to compute various conditions and benefits.

### **Transfers and Promotions**

Kuehne + Nagel encourages employees to assume higher-level positions or lateral transfers for which they qualify. Toward this end, Kuehne + Nagel has a job posting program that offers employees the opportunity to apply for certain positions within Kuehne + Nagel. Generally, employees must be in their job for at least one year before applying for a change in position. In addition, employees must have a good performance, attendance and punctuality record. Employees undergoing disciplinary action or within the introductory period are ineligible for a transfer.

Each employee requesting a transfer will be considered for the new position along with all other applicants. Assignments will be awarded based on the individual's ability and past performance. In a situation where two or more employees have similar qualifications, length of service will be recognized. While Kuehne + Nagel will intend, when possible, to promote from within, Kuehne + Nagel reserves the right to fill openings from other sources. All final decisions regarding transfers will be made by Management, in conjunction with the Human Resources Department.

Local managers are responsible for intra-branch transfers. Employees who wish to apply for an inter-branch, inter-divisional or international transfer **must** discuss it first with their supervisor/manager and the Human Resources Department so that it may be determined if their skills fit the requirements of the desired job. Employees should also feel free to discuss their career aspirations with their supervisor/manager or the Human Resources Department at any time. Based on prevailing business conditions, an employee's manager has the right to grant or deny a request for transfer.

If an employee fits the basic criteria for the position, the Human Resources Department will make arrangements to set up an exploratory interview with the other department. Uninterrupted





overseas service with the Kuehne + Nagel group of companies will be counted for all Kuehne + Nagel initiated transfers. As such, continuous overseas service will be recognized for benefits eligibility purposes. Any relocation expense will be addressed in accordance with Kuehne + Nagel's guidelines.

### **Performance Management and Professional Development**

Performance Management Development enables management and their staff to identify personal and business goals that are most significant to the organization's success.

This planning process enables employees to comprehend their true value to the organization by understanding how their job and its expected outcomes fit within the employee's department and/or the business unit's overall goals.

Employees and management set business and personal goals which support and align with the organization's business plan and the department's objectives. The accomplishment of these goals provides a foundation for employees' internal/external career success.

Kuehne + Nagel encourages employees to take personal responsibility for their career development and advancement. Management will work with their staff to identify ways that they would like to further develop their professional performance, including training, assignments and new challenges in order to help staff grow professionally.

### **PAY PRACTICES**

#### **Payment of Salary**

As determined by management, employees are paid either on a weekly basis, 52 times annually or on a semi-monthly basis, 24 times annually. Semi-monthly paydays are normally on the 15th and the last day of the month. Weekly paydays are normally every Friday. Changes will be made and announced in advance whenever Kuehne + Nagel holidays or closings interfere with the normal payday.

The following mandatory deductions will be made from every employee's gross wages: federal income tax, Social Security/Medicare (FICA) tax, and applicable city and state taxes.

Every employee must fill out and sign a federal withholding allowance certificate, IRS Form W-4, on or before his or her first day on the job. This form must be completed in accordance with federal regulations. The employee may fill out a new W-4 at anytime when his or her circumstances change. Employees who paid no federal income tax for the preceding year and who expect to pay no income tax for the current year may fill out an Exemption from Withholding Certificate, IRS Form W-4E. Employees are expected to comply with the instructions on Form W-4. Questions regarding the propriety of claimed deductions may be referred to the IRS in certain circumstances.

Other optional deductions not paid by Kuehne + Nagel will be deducted from each payroll check.



## Vacation

The Kuehne + Nagel vacation program is based on a January 1st through December 31st calendar year. Prior year accrued vacation time may be carried over until August 31st of the following calendar year. To the extent permitted by state law, any carryover vacation time that is not taken by August 31st of the following year will be lost. Vacation days and personal days will need to be authorized by direct management prior to the time being taken. Vacation may be taken in no less than half-day increments.

Employees are eligible for paid vacation time based on their length of service with Kuehne + Nagel and, in some cases, position.

Newly hired/rehired full time employees will accrue vacation during the ninety (90) day introductory period; however, they can only take the time off after the ninety (90) day introductory period is successfully completed.

Rehired employees will begin accruing vacation based on an accrual rate corresponding to their adjusted (bridged) service date.

Full time employees, working a minimum of 30 hours per week, are eligible for vacation based on the below-noted schedule.

Following one (1) year of continuous service, Part time employees, working a regular work week schedule of a minimum of 20 hours, will be eligible for vacation based on the below-noted schedule.

An employee continues to accrue vacation during an approved leave of absence, if the absence is less than thirty-one (31) days in duration. Should the leave extend beyond the thirty (30) days; vacation time, as well as any other paid time off, will not continue to accrue.

< 1 year	1	N/A	N/A	Prorated based on months of service. Accrued time may be taken following completion of the 90-day introductory period.
			Eligibility after 1 year of continuous service, with a work week schedule of 20 hours or more.	
1 < 5 years	1	12	½ Day	6
5 – 9 years	1.25	15	.625 Day	7.5
10 – 14 years	1.66	20	.833 Day	10
15 – 19 years	1.83	22	.916 Day	11
20 – 24 years	1.91	23	.958 Day	11.5
25 + years	2.08	25	1.04 Day	12.5

If applicable, a new accrual rate for additional years of service will apply on the month in which the anniversary date is celebrated. For example, the vacation accrual rate that will apply for a full time employee who celebrates a fifth year anniversary on May 20<sup>th</sup> of the year, will be: 4



days (January – April) + 10 days (May – December), for a total of 14 days. For purposes of calculating vacation pay upon termination, only completed months of service will be paid.

Every effort will be made to grant an employee's request for vacation at the time desired. However, vacations cannot interfere with a department's operation and, therefore, must be approved by management in advance. If any conflicts arise in requests for vacation time, preference will be given to the employee with the most seniority. In exceptional circumstances, and subject to management approval, employees may take vacation time prior to accruing the full amount; however, in the case of termination/resignation wherein the time has not been accrued, the employee will assume responsibility for reimbursing Kuehne + Nagel for these days. In extenuating circumstances, a manager may ask an employee to reschedule or may recall an employee from a vacation for compelling business reasons.

Vacation must be pre-approved by management. In cases when an employee incurs expenses for a vacation that has not been approved in advance, there will be no consideration for reimbursement. However, in the case of an employee having to be recalled from vacation, management/Kuehne + Nagel will need to first weigh probable cost factors/reimbursements associated to the recall.

Employees who terminate employment from Kuehne + Nagel will only be paid accrued, unused vacation time.

### **Personal Days**

Full time employees are eligible for two personal days per year; part time employees are eligible for one personal day per year. Personal days can be taken following the completion of the introductory period. Full time employees will earn the first personal day between January through June of the year, and a second personal day between July and December of the year. Part time employees will be eligible to receive one personal day per year as of July 1st of the year. New hires/rehires joining as of October 1st or later will be ineligible to receive personal day(s) in the year of hire. Personal days must be used during the year in which they accrue or they will be lost. Unused personal days will not be paid at time of termination, except as required by state law. A personal day may be taken in no less than half-day increments.

### **Holidays**

Kuehne + Nagel provides nine designated paid holidays each year as listed below:

New Year's Day  
Martin Luther King, Jr. Day  
President's Day  
Memorial Day  
Independence Day  
Labor Day  
Thanksgiving Day  
Day after Thanksgiving  
Christmas Day



additional time off wherein the employee requests to apply accrued vacation time or personal days.

At management discretion, leave for attendance at the funeral of a non-immediate family member or person with an especially close relationship may be granted without pay. However, should the employee have available paid time off other than sick days, this time will be applied.

Upon returning to work, the employee must record his/her absence as a Bereavement Leave on his/her attendance record. Proof of death and relationship to the deceased may be required.

### **Jury Duty**

Time off for mandatory jury duty or court appearances required as a result of a valid subpoena or court order is excused and paid at full salary. Full time employees who have completed the ninety (90) day introductory period will be eligible for paid time off. Kuehne + Nagel will provide employees with their regular pay, not to exceed eight (8) hours per day, for a maximum of ten (10) business days. An employee on jury duty is expected to report to work any day he/she is excused from jury duty in states where this is permitted.

Upon receipt of the notice to serve jury duty, the employee should immediately notify his/her supervisor. Additionally, a copy of the notice to serve jury duty should be attached to the employee's attendance record for attendance purposes.

Upon the employee's return, the employee must submit a signed Certificate of Jury Service indicating the number of days served.

### **Time Off to Vote**

Kuehne + Nagel encourages all employees to vote and will comply with applicable state requirements regarding paid time off to vote. Full time employees are encouraged to take advantage of polling hours prior to the beginning or following the end of their workday. In extenuating circumstances, when work schedules conflict with polling hours, full time employees will be paid for the time taken to vote provided that the employee notifies his/her manager at least one day in advance so that the time off to vote can be approved either at the beginning or end of the workday. Part time employees may be given time off, but will not be paid, unless required by law.

### **Absence Due to Illness**

To keep the business and each department running smoothly and efficiently, it is important that every employee be on the job on time regularly. For this reason, careful attention is given to promptness, absence record and overall dependability.

Kuehne + Nagel recognizes, however, that an employee may occasionally be disabled by injury or illness. As a result, the Absence Due to Illness policy is designed to provide protection to employees against loss of income during unavoidable illness or injury.



While on a personal leave of absence, employees will be responsible for paying their benefit premiums. Failure to do so will result in loss of coverage and possible refusal by carriers to allow the reinstatement of coverage.

### **Returning/Not Returning From a Leave of Absence**

Due to the nature of our business, Kuehne + Nagel cannot guarantee either that an employee's job will remain available or that a comparable position will exist when return from an unpaid leave is sought. When an employee is ready to return from a leave of absence without pay, Kuehne + Nagel will attempt to reinstate the employee to his/her former position or to one with similar responsibilities.

## **WORKPLACE GUIDELINES**

### **Attendance, Punctuality and Dependability**

Kuehne + Nagel's ability to provide reliable customer service depends in part upon our employees maintaining good attendance. In order to maintain a productive work environment, Kuehne + Nagel expects employees to be punctual in reporting for scheduled work. Absenteeism and tardiness result in a burden on other employees and on Kuehne + Nagel's overall operations. While the expectation is for employees to be at work every day they are scheduled, Kuehne + Nagel recognizes that employees may occasionally be absent from work due to illness, family emergencies or other legitimate reasons.

Employees who are unable to be at work on time or are unable to work as scheduled must personally notify their direct management via telephone in advance of the tardiness/absence (unless a verifiable emergency makes it impossible to do so. In these circumstances, the employee will need to assign a party to call on his/her behalf). It is not sufficient to call in and leave a message with a coworker or someone else that is not in a management position. Kuehne + Nagel needs advance notice of attendance problems so that other arrangements can be made to cover the absence, if necessary. If an employee fails to give proper notice of attendance problems in advance, they may be subject to disciplinary action, up to and including termination.

Non-exempt employees reporting to work late will be docked for time missed. Exempt, professional employees, ineligible for overtime, are expected to work the number of hours needed in order to complete their job responsibilities. If extra hours are needed to complete the work, employees will be expected to put in the extra hours. Kuehne + Nagel expects that exempt, professional staff advise their direct management, in advance, where possible, when they will be late and/or absent from work.

An employee who fails to report to work for three (3) consecutive days without notice to his/her direct management will be considered as having abandoned his/her job, and Kuehne + Nagel will process the employees work separation as a voluntary resignation.

### **Tardiness and Attendance Policy**

Time off for the following reasons will not count as occurrences under the Tardiness and Attendance Policy.



1. Approved vacation
2. Paid Sick Days, if eligible
3. Holiday(s)
4. Approved medical or FMLA leave
5. Jury Duty (Documented)
6. Approved Military Leave
7. Approved Bereavement Leave
8. Approved unpaid personal leave
9. Worker's Compensation leave
10. Business closings (emergencies, inclement weather, etc.)
11. Absences initiated by management when an employee's illness might have a negative impact to co-workers and/or the business.

Unapproved absences, for other than those listed above, will count as occurrences under the Tardiness and Attendance Policy.

Acceptable attendance is defined as being late or absent from work no more than the eligible number of paid sick days or no more than two occurrences of tardiness as defined below.

<b>Occurrence</b>	<b>Corrective Action</b>
<b>1 Tardiness</b>	<b>None</b>
<b>First occurrence after paid sick day entitlement is exhausted</b>	<b>Documented Verbal Warning</b>
<b>3 Occurrences</b>	<b>Written Warning</b>
<b>5 Occurrences</b>	<b>Final Warning</b>
<b>6 Occurrences</b>	<b>Subject to Discharge</b>

Absenteeism and tardiness are tracked on a rolling twelve-month basis from the first occurrence. Any employee accumulating five or more occurrences (Final Warning), more than once in a twenty-four (24) month period beginning with the first occurrence is subject to termination.

The following guidelines define occurrences in the Tardiness and Attendance Policy and apply to all regularly scheduled hours and voluntary and mandatory overtime.

- |  |               |
|--|---------------|
| 1. Tardiness less than or equal to 2 hours               | ½ Occurrence  |
| 2. Unauthorized leave early after the sixth hour         | ½ Occurrence  |
| 3. Tardiness more than 2 hours                           | 1 Occurrence  |
| 4. Unauthorized leave early                              | 1 Occurrence  |
| 5. Less than 6 hours worked                              | 1 Occurrence  |
| 6. Unapproved Absence                                    | 2 Occurrences |
| 7. Failure to call within ½ hour of scheduled start time | 1 Occurrence  |





A doctor's note indicating full release to work must always be submitted on an employee's first day back in all cases involving Workers' Compensation, Short-Term Disability or absence due to illness in excess of three (3) workdays.

During an employee's introductory period, the above guidelines do not necessarily apply. If there are occurrences within the introductory ninety (90) day period, Kuehne + Nagel reserves the right to apply corrective action, up to and including termination.

### **Substance Abuse Policy**

It is the intent of Kuehne + Nagel to promote and maintain a drug-free workplace in order that employees have the opportunity to maximize productivity and be successful while avoiding the problems associated with drug and alcohol abuse. Kuehne + Nagel reserves the right to require all employees and applicants to undergo drug or alcohol testing in accordance with all applicable laws and in a manner consistent with this policy. The terms of this policy may be modified in certain states in order meet the compliance requirements of such states. In addition, certain facilities may be subject to customer specific policies or Department of Transportation guidelines. Employees should contact their branch manager for specific information. As a condition of employment, all employees and applicants must sign an acknowledgement of the terms of this policy.

The possession of, consumption of, or being under the influence of alcohol by an employee during work hours, or otherwise while on Kuehne + Nagel premises (including Kuehne + Nagel job sites) or in a Kuehne + Nagel vehicle is prohibited. The following prohibition may be waived for limited celebratory purposes at corporate events as specifically approved by Line Management.

Except as provided below, the possession, sale, purchase, transfer, or use of, or being under the influence of (to the extent such use or influence may affect the safety of co-workers or members of the public, the employee's job performance, or the safe or efficient operation of Kuehne + Nagel) any Legal Drug (as hereinafter defined) by an employee during work hours, or otherwise while on Kuehne + Nagel premises (including Kuehne + Nagel job sites) or in a Kuehne + Nagel vehicle is prohibited. An employee may continue to work, even though under the influence of a Legal Drug, if Kuehne + Nagel has determined, after consulting with a licensed physician that the employee does not pose a threat to his or her own safety or the safety of co-workers and that the employee's job performance is not significantly affected by the Legal Drug. Otherwise, the employee may be required to take a leave of absence to comply with other appropriate action as determined by Kuehne + Nagel. "Legal Drug" includes prescribed drugs and over-the-counter drugs which have been legally obtained and are being used in the dosages and for the purpose for which they were prescribed or manufactured.

The possession, sale, purchase, transfer, or use of, or being under the influence of any Illegal Drug and Inhalants (as hereinafter defined) by any employee during work hours, or otherwise while on Kuehne + Nagel premises (including Kuehne + Nagel job sites) or in a Kuehne + Nagel vehicle is prohibited. The presence, in any detectable amount, of any Illegal Drug and Inhalant in an employee during work hours, or otherwise while on Kuehne

**Skirts, Dresses, and Skirted Suits:**

Dress and skirt length should be at a length at which an employee can sit comfortably in public. Short, tight skirts, mini-skirts, sun dresses, beach dresses, spaghetti-strap dresses and shorts are inappropriate for work/the office.

**Shirts, Tops, Blouses, and Jackets:**

Casual shirts, dress shirts, sweaters, tops, golf-type shirts, and turtlenecks are acceptable attire for work. Most suit jackets or sport jackets are also acceptable attire for the office, if they violate none of the listed guidelines. Inappropriate attire for work includes tank tops; midriff tops; shirts with potentially offensive words, terms, logos, pictures, cartoons, or slogans; halter-tops; tops with bare shoulders; sweatshirts, and t-shirts unless worn under another blouse, shirt, jacket, or dress.

**Shoes and Footwear:**

Conservative athletic or walking shoes, loafers, clogs, sneakers, boots, flats, dress heels, and leather deck-type shoes are acceptable for work. Flashy athletic shoes, thongs, flip-flops and slippers are not acceptable in the office. As a safety precaution and to ensure safety compliance, sandals, canvas sneakers / tennis shoes, and heels in excess of two inches are not permitted within the warehouse. Additionally, approved safety shoes should be worn by warehouse personnel.

**Perfume and Cologne:**

Please bear in mind that some employees are allergic to the chemicals in perfumes and make-up. Please bear in mind to wear these substances with restraint. The Company reserves the right to request medical certification to substantiate such a condition.

If clothing fails to meet these standards, as determined by the employee's supervisor/manager, the employee will be asked not to wear the inappropriate item to work again. If the problem persists, the employee may be sent home to change clothes and will receive a verbal warning for the first offense. All other policies about personal time use will apply. Progressive disciplinary action will be applied if dress code violations continue.

**Work Assignments**

Job and shift (where applicable) assignments will be created based on performance, skills and business requirements. Kuehne + Nagel reserves the right to change such assignments at any time with reasonable notice given.

**Employment of Relatives**

Kuehne + Nagel permits the hiring of relatives as long as the applicant is the most qualified and selected by the hiring supervisor/manager. Consideration must be given to the placement of relatives within the same department. Only in extraordinary circumstances, and only with the approval of Senior Management, should a relative directly or indirectly supervise another relative. A relative is defined as any person related to the employee by blood, marriage, or adoption.





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## Employee Safety

All employees are bound to adhere to the Company's directed safety rules, guidelines and working instructions. Additionally, Kuehne + Nagel is committed to complying with safety regulations prescribed under federal and state laws. Safety & Health Guidelines and Working Instructions can be accessed by utilizing the following link: Safety & Health Guidelines found on KNet under QSHE's Safety & Health page.

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## Visitors

Visitors, vendors and service contractors are required to sign the visitor logbook and receive a visitor badge, which must be worn on company property. If an employee sees a visitor without a badge, politely ask if they can be escorted to a manager for assistance.

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## Emergency Closing

There may be an occasional emergency circumstance such as severe weather that will disrupt business operations. In extreme cases, these circumstances may require the closing of the facility. In the even that such an emergency occurs during non-working hours, arrangements will be made to communicate to all associates the location closing and when business will resume.

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## Violence in the Workplace

Kuehne + Nagel strongly believes that all employees should be treated with dignity and respect. Acts of violence will not be tolerated. Workplace violence includes, but is not limited to, the following: harassment; stalking; physical violence; the use of weapons of any kind; the direct or implied threat of physical violence toward any staff member or customers of Kuehne + Nagel Inc.

All acts of violence should be reported immediately to Kuehne + Nagel management, QSHE and Human Resources. Supervisors/managers receiving a report of a violent act should contact the Human Resources Department immediately. Crimes in progress such as assaults, robberies, hijacking, burglaries, suspect explosives, fires, or other life threatening situations require immediate reporting to the appropriate authorities. For more detailed information, please see GUS.ZQ.101 - Security Policy found on KNet under QSHE's Security Guidelines & Working Instructions section.

Kuehne + Nagel will promptly respond to any incident or suggestion of violence. Violation of this policy will result in disciplinary action, up to and including immediate termination of employment.

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## Reference Checks

All inquiries regarding a current or former Kuehne + Nagel employee must be referred to the Human Resources Department. Should an employee receive a written request for a



reimbursement must be approved by appropriate branch management prior to being submitted to the Finance Department for processing. For more detailed guidelines and forms for expense reimbursement, please refer to the following link: [KN US Finance and Accounting](#) found on KNet under the Finance Department page.

### **Travel and Mileage Reimbursement**

Approved travel expenditures will be reimbursed according to Kuehne + Nagel guidelines. Employees of Kuehne + Nagel who use their personal vehicle for Company purposes will be reimbursed in line with existing Kuehne + Nagel guidelines. Travel expenses between home and the employee's work location are not reimbursable. Most company-related travel will originate from a Kuehne + Nagel location. However, in those cases where it is advantageous, considering time and distance, for the employee to leave directly from their place of residence, the request for reimbursement should be based upon total miles traveled. Mileage reimbursement will be approved by an employee's supervisor/manager by submitting an expense report detailing the purpose of such travel, date of travel, and mileage traveled.

### **Discipline/Corrective Action**

All employees are expected to meet Kuehne + Nagel's standards of work performance. Work performance encompasses many factors, including attendance, punctuality, personal conduct, job proficiency and general compliance with Kuehne + Nagel's policies and procedures. If an employee does not meet these standards, Kuehne + Nagel may, under appropriate circumstances, take corrective action. However, an employee who does not display satisfactory performance and accomplishment on the job may be dismissed, in certain cases, without resorting to the steps outlined in this policy. There may be particular situations in which the seriousness of the offense justifies immediate dismissal.

The intent of corrective action is to formally document problems while providing the employee with a reasonable time within which to improve performance. The process is designed to encourage development by providing employees with guidance in areas that need improvement such as poor work performance, attendance problems, personal conduct, general compliance with Kuehne + Nagel's policies and procedures and/or other disciplinary problems. The steps are as follows:

**Verbal Warning** – An employee will be counseled by his or her supervisor/manager and assisted in developing a solution. The purpose of this meeting is to remind the employees of the performance expectations and guidelines.

**Written Warning(s)** – If performance does not improve, the employee will be given a written warning. The employee will be counseled and a discussion will ensue to address the seriousness of the matter and the need of an immediate solution.

**Final Warning** – If performance does not improve, a final warning is issued. Such a Final Warning shall identify performance objectives and may include steps of progressive discipline such as suspension, probation and/or a performance improvement plan. Management reserves the right to take action it deems warranted under the circumstances.



**Termination** – If poor performance continues, the employee may be terminated.

Kuehne + Nagel's management may exercise its discretion and commence disciplinary action at any stage depending on the seriousness and/or nature of the incident.

Every Kuehne + Nagel employee has the status of "employee-at-will," meaning that no one has a contractual right, express or implied, to remain in Kuehne + Nagel's employ. Kuehne + Nagel may terminate an employee's employment, or an employee may terminate his/her employment, without cause, and with or without notice, at any time for any reason. No supervisor or other representative of Kuehne + Nagel (except the President) has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the above. Any violation of the policies in this Manual may result in appropriate corrective disciplinary action, up to and including termination of employment.

### **Reasonable Conduct**

Kuehne + Nagel's work standards require that each employee use common sense and judgment in the best interest of safety, avoidance of activities that interfere with other employees' ability to perform their jobs and in general, being a good citizen.

There are a few serious actions that can escalate the corrective action process and cause immediate written warnings or termination. These include, but are not limited to, the following:

- Willful violation of any Company rule; any deliberate action that is extreme in nature and is obviously detrimental to Kuehne + Nagel's efforts to operate profitably.
- Willfully falsifying documents, dates, etc.
- Willful violation of security or safety rules or failure to observe safety rules or Kuehne + Nagel safety practices; failure to wear required safety equipment; tampering with Kuehne + Nagel equipment or safety equipment.
- Negligence or any careless action which endangers the life or safety of another person.
- Violation of Kuehne + Nagel's Substance Abuse Policy.
- Unauthorized possession of firearms, weapons or explosives on Company property or while on duty.
- Engaging in criminal conduct or acts of violence, or making threats of violence toward anyone on Company premises or when representing Kuehne + Nagel; fighting, or horseplay or provoking a fight on Company property, or negligent damage of property.
- Insubordination or refusing to obey instructions properly issued by an employee's manager pertaining to their work; refusal to help out on a special assignment.
- Threatening, intimidating or coercing fellow employees on or off the premises at any time, for any purpose.
- Engaging in an act of sabotage; willfully or with gross negligence causing the destruction or damage of Company property, or the property of fellow employees, customers, suppliers, or visitors in any manner.
- Theft of Company property or the property of fellow employees; unauthorized possession or removal of any Company property, including documents, from the premises without prior permission from management; unauthorized use of Company equipment or property for personal reasons; using Company equipment for profit.



- Dishonesty; willful falsification or misrepresentation on an application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by Kuehne + Nagel; alteration of Company records or other Company documents.
- Any payment or financial benefit made in violation of this Policy Manual.
- Violating the non-disclosure agreement; giving confidential or proprietary Kuehne + Nagel information to competitors or other organizations or to unauthorized Kuehne + Nagel employees; working for a competing business while a Kuehne + Nagel employee; breach of confidentiality of personnel information.
- Malicious gossip, false allegation and/or spreading rumors; engaging in behavior designed to create discord and lack of harmony; interfering with another employee on the job; willfully restricting work output or encouraging others to do the same.
- Immoral conduct or indecency on Company property.
- Conducting a lottery or gambling on Company premises.
- Distributing chain letters within the Company, by intercompany mail or by e-mail.

### Hotline Program

Kuehne + Nagel has established a Hotline Program as another way for an employee to report any known instances of inventory theft, anti-ethical behavior, fraud, on-the-job substance abuse, harassment, deliberate destruction of company property, or workplace violence. The program may pay a significant reward to the employee for confirmed information. This hotline service is provided by an outside company that specializes in these services, so the caller will remain completely anonymous.

The process for utilizing the hotline is as follows:

1. Employee should call the toll-free hotline number, **1(800) 634-3364**, 24 hours a day, seven days a week. During business hours the call will be answered by an operator. Employees can also call after business hours and leave a message in the hotline voicemail system.
2. When the call is answered, the employee should specify that they are telephoning about a problem at **Kuehne + Nagel** and give as much detailed information as possible.
3. The employee will never be asked their name. The caller will receive a code name or code number to be identified.
4. After the problem has been confirmed and resolved, the employee should call back utilizing the code name or code number. If there is a reward it will be paid in such a way that no one will ever know the person received it, and the caller's identity will remain anonymous.

### Grievance Procedure

The steps outlined below need to be followed by employees when filing a complaint about any aspect of their job (e.g., assignment, compensation, benefits, promotions, discipline, etc.). Employees can also choose to directly contact management, up to and including Senior Management or Human Resources.



**Step One:** The employee should discuss the problem with his/her supervisor/manager.

**Step Two:** If the manager cannot clarify or resolve the problem to the employee's satisfaction, the employee should discuss the matter with the next level of management.

**Step Three:** The final step in handling an unresolved employee complaint falls on the Human Resources Department to investigate the complaint and recommend an appropriate resolution.

This procedure has been implemented to resolve complaints fairly. Open lines of communication, without interference from an outside party, works best and prove to be most effective. Complaints will be handled promptly and with discretion. Employees will not be penalized for their good faith use of these options.

### **Termination**

### **Resignation**

When an employee decides to leave for any reason, his/her supervisor and the Human Resources Department would like the opportunity to discuss the resignation before final action is taken. Kuehne + Nagel often finds during this conversation that another alternative may be better. If, however, after full consideration the employee decides to leave, it is requested that the employee provide Kuehne + Nagel with a written two-week advance notice period (bear in mind that vacation days or personal days may not be included in the two-week notice period). To the extent consistent with state and federal law, Kuehne + Nagel will only compensate employees for unused accrued vacation when the employee works throughout the notice period, and is not terminated for gross misconduct or cause; otherwise, unused vacation will be forfeited. If, as sometimes happens, the employee's supervisor wishes for the employee to leave prior to the end of the employee's two-weeks notice, the employee may be paid for the remainder of that period. An Exit Interview/Checklist will be conducted by the employee's manager and submitted to the Human Resources Department.

### **Layoff**

When a reduction in force is necessary, or if one or more positions are eliminated, employees will be identified for a layoff in accordance with the Company's reduction in force selection process. This process takes into account certain factors, including but not limited to:

- Critical skills which must be retained in order to run the business.
- Employee's performance.
- Ongoing work requirements.
- Employee's abilities, experience and skill.
- Employee's potential for reassignment.

The immediate supervisor will personally notify employees of a layoff. After explaining the layoff procedure, the employee will be given a letter describing the conditions of the layoff. The employee will receive advance notice of termination date, whenever possible or as required by law.





Kuehne + Nagel has full discretion to decide whether any employee will receive severance pay benefits and the amount of any benefits.

### **Termination Process**

The employee's manager must immediately notify the Human Resources and Payroll Departments of any termination. Management must secure all Kuehne + Nagel property, keys, access and/or ID cards from the employee on their final day of employment. For details regarding the termination process including the Exit Interview/Checklist, please refer to the following link: Termination Process, which can be found on the Human Resources page on KNet.

### **Rehire Eligibility**

Based on the circumstances leading to termination, a determination will be made as to whether the employee is eligible for rehire by Kuehne + Nagel.

- An employee terminated for misconduct is not eligible for rehire.
- Generally, an employee terminated for cause (i.e., excessive absences, excessive tardiness, non compliance with Kuehne + Nagel policy or failure to perform to standards) will not be eligible for rehire.

Applications received from former employees will be processed using the same procedures and standards that govern all direct applications. The hiring supervisor/manager will review the former employee's performance records and the circumstances surrounding termination of previous employment with Kuehne + Nagel. This information will be provided to the staff responsible for screening and interviewing applicants. Kuehne + Nagel is under no obligation to rehire former employees.

In the event that an employee returns to work for Kuehne + Nagel, the employee's service date will be adjusted. The calculated adjusted service date will take into account the original hire date, the period of time away from Kuehne + Nagel, and the rehire date. If the calculated adjusted service date equals or is over the 30 day waiting period in effect for benefits eligibility, benefits participation will commence as of the employee's first day of (re)hire. Employees returning to Kuehne + Nagel who have not been employed with the company for a period of six months or more will be subject to the new hire pre-employment drug test and background screening process.

### **KUEHNE + NAGEL GROUP BENEFITS**

Kuehne + Nagel has established a variety of employee benefit programs designed to assist employees and their eligible dependents in meeting the financial burdens that can result from illness and disability, and to help employees plan for retirement. This portion of the Employee Manual contains a general description of the benefits to which employees may be entitled. The general explanation is not intended to, and does not provide employees with all the details of these benefits. Therefore, this Manual does not change or otherwise interpret the terms of the official plan documents. Employee rights can be determined only by referring to the full text of the



With respect to any employee contributions to the other voluntary benefit programs (such as Supplemental Life Insurance, Dependent Life Insurance, Supplemental Long-term Disability, Health Savings Account, Health Care Reimbursement Account, Dependent Care Reimbursement Account), an employee on STD must arrange with the Human Resources Benefits Department to pay directly the employee contributions required by these plans.

In states with mandated STD programs, such as California, the employee will file for STD benefits directly through the applicable State Agency. Regardless, the employee must also contact the STD Benefits carrier to file an STD claim.

Kuehne + Nagel reserves the right to confirm the necessity for disability leave by requiring the employee to receive a second or third opinion by a doctor of Kuehne + Nagel's choice. Kuehne + Nagel will assume any costs for additional examinations that are not paid by the insurance carrier.

Short term and long term related absences will be counted against the Family Medical Leave Act entitlement, as allowable by law.

### **Long Term Disability Benefits**

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Basic Long Term Disability (LTD) benefits can begin after an employee has been totally disabled (as defined by the Plan) for 180 days. While the employee remains disabled, he/she can receive 50% of their monthly earnings, up to a maximum monthly benefit. If Kuehne + Nagel pays the full cost for basic LTD coverage, any benefit the employee receives is treated as taxable income.

### **Workers' Compensation Benefits**

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Kuehne + Nagel is totally committed to keeping employees safe and healthy, but occasionally injuries and illnesses will occur. All Kuehne + Nagel employees are covered under statutory state Workers' Compensation Laws.

If an employee sustains a job related injury or illness, the process is as follows:

- Immediately report the injury to your manager/supervisor
- Obtain prompt medical care from Kuehne + Nagel's preferred medical provider
- Cooperate with the treatment plan
- Cooperate with authorized insurance company representatives
- Communicate with management regarding problems, concerns or assistance needed.

### **Modified Duty Program**

Modified duty enables employees to continue working in a reduced capacity on a temporary basis. Kuehne + Nagel's policy is to make reasonable accommodations to provide suitable, alternative work assignments. The determination of appropriate modified duty will be